

Message Text

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ORIGIN EUR-12

INFO OCT-01 EA-07 ISO-00 H-01 SP-02 USIA-06 AID-05 EB-08
NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01
SIG-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02
OPIC-03 LAB-04 SIL-01 L-03 PRS-01 /094 R

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FM SECSTATE WASHDC
TO AMEMBASSY LISBON PRIORITY
INFO AMEMBASSY BONN PRIORITY
AMEMBASSY BRUSSELS
AMEMBASSY PARIS
AMEMBASSY TOKYO
AMEMBASSY LONDON
AMEMBASSY ROME
USMISSION NATO
AMEMBASSY STOCKHOLM
AMEMBASSY DUBLIN
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY BERN
AMEMBASSY OSLO
USMISSION EC BRUSSELS

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E.O. 11652: GDS

TAGS:PFOR, EFIN, EAID, PO, GW, FR, JA

SUBJECT: CONSULTATIONS ON BALANCE OF PAYMENTS CONSORTIUM
FOR PORTUGAL

1. THIS MESSAGE REAFFIRMS OUR INTEREST IN A MULTILATERAL BALANCE OF PAYMENTS ASSISTANCE PROGRAM FOR PORTUGAL, INFORMS THE GOP OF STEPS WE ARE TAKING TO ESTABLISH A CONSORTIUM, AND REQUESTS GOP SUGGESTIONS AND SUPPORT.

2. PLEASE INFORM THE GOP OF THE FOLLOWING:

-- THE NEW ADMINISTRATION HAS CAREFULLY REVIEWED ITS ECONOMIC ASSISTANCE PROGRAM FOR PORTUGAL AND HA, REAFFIRMED ITS DESIRE TO SEEK APPROPRIATIONS IN CALENDAR 1977 FOR THE INITIAL US CONTRIBUTION TO THE CONSORTIUM.

-- WE ARE NOW CONSULTING WITH THE FRG AND JAPAN CONCERNING THEIR VIEWS ON THE MODALITIES OF PUTTING TOGETHER THE CONSORTIUM, AND WE SOON EXPECT TO TALK WITH FRANCE AND PERHAPS CERTAIN OTHER POTENTIAL PARTICIPANTS.

-- WE WILL INFORM THE GOP OF THE RESULTS OF THESE INITIAL SOUNDINGS WHEN THEY ARE COMPLETE AND WILL CONCERT WITH THE GOP ON FOLLOW-UP STEPS.

3. REQUEST THAT YOU OBTAIN:

-- GOP COMMITMENT TO MAKE DIPLOMATIC APPROACHES TO THE FRG, FRANCE AND JAPAN AS QUICKLY AS POSSIBLE TO ASK THEM TO PARTICIPATE IN THE CONSORTIUM. (FYI: IN INITIAL TALKS WITH FRG AND JAPANESE FINANCE MINISTRY OFFICIALS, THEY HAVE POINTED OUT THAT THE GOP ITSELF HAS NOT ASKED THEM CONFIDENTIAL

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TO PARTICIPATE IN THE BALANCE OF PAYMENTS ASSISTANCE PROGRAM. END FYI).

-- COMMITMENT BY PRIME MINISTER SOARES TO RAISE CONSORTIUM ISSUE WHEN HE VISITS VARIOUS EC CAPITALS IN FEBRUARY AND MARCH.

-- GOP RECOMMENDATIONS CONCERNING WHICH NON-OECD COUNTRIES, AND SPECIFICALLY WHICH OPEC MEMBERS, SHOULD BE ASKED TO JOIN CONSORTIUM.

4. DEPARTMENT IS AWARE THAT PORTUGUESE APPROACHES ON CONSORTIUM LOAN MAY OVERLAP WITH GOP'S REQUESTS FOR MILITARY ASSISTANCE, BUT WE BELIEVE THAT THIS IS UNAVOIDABLE.

5. FYI: RE FIRST POINT OF PARA 2, IT NOW APPEARS THAT A \$300 MILLION APPROPRIATION FOR U.S. SHARE OF FIRST YEAR OF OPERATION OF CONSORTIUM LOAN WILL BE SOUGHT IN FY 1978

BUDGET ON WHICH CONGRESSIONAL HEARINGS MAY BEGIN IN TWO WEEKS. IN CONSULTATIONS WITH FINANCIAL AUTHORITIES OF CERTAIN OTHER COUNTRIES US TREASURY WILL DISCUSS POSSIBLE ARRANGEMENTS TO PROVIDE SUFFICIENT SHORT-TERM CREDITS TO COVER PORTUGAL'S EXPECTED NEEDS UNTIL CONSORTIUM DISBURSEMENTS COULD BEGIN. END FYI.

6. INFO ADDRESSEES ARE TO TAKE NO RPT NO ACTION AT THIS TIME.

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Message Attributes

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Sent Date: 10-Feb-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Drafter: WE/KSMITH
Enclosure: n/a
Executive Order: GS
Errors: N/A
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